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Accounting firms

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Isaac M. O'Bannon • Mar. 29, 2013

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That's according to the latest report by financial analysis company [Sageworks](#).

"The gains in profitability may stem from reduced overhead expenses or economies of scale achieved with increasing sales," noted Sageworks analyst Libby Bierman. "They can cover their fixed costs faster since they have continued to see top-line growth during the past year."

In an analysis of the top industries by profitability, Sageworks identified several service-based industries with strong net profit margins. Bierman explained that these companies don't have to purchase inventories or invest in much equipment.

Sageworks analyst Brad Schaefer explained that accounting firms, who will be especially busy this time of year with the tax deadline in mid-April, have consistently high profit margins.

“They have a deep understanding of their own financials, and they have maintained

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Sageworks releases a monthly report on the state of privately held companies in America. It includes metrics on the average U.S. privately held company, as well as the performance of notable sectors and industries. [The full report](#), including sector breakout and further analysis, can be found here.

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